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Chairman: Mr. Matute (Vice-Chairman) ..... (Peru)

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In the absence of Mr. Olhaye (Djibouti), Mr. Matute (Peru), Vice Chairman, took the Chair.

The meeting was called to order at 10.15 a.m.

Agenda item 101: Operational activities for development (A/54/39, A/54/175, A/54/225, A/54/273, A/54/425, A/54/292-S/1999/917, and A/53/788 and Add.1)

(a) Operational activities for development of the United Nations system

(b) Economic and technical cooperation among developing countries (A/54/39, A/54/225, A/54/273 and A/54/425)

1. **Ms. Heyzer** (Executive Director, United Nations Development Fund for Women), introducing the note by the Secretary-General on activities of the United Nations Development Fund for Women (UNIFEM) (A/54/225), said that the innovative efforts being made by a number of Member States with a view to the special session of the General Assembly to appraise and assess the progress achieved in the implementation of the Nairobi Forward-looking Strategies for the Advancement of Women and the Beijing Declaration and Platform for Action highlighted the need for partnerships and stronger operational activities for development. UNIFEM had fostered such partnerships among Governments, non-governmental organizations and the United Nations system by supporting the formulation of national action plans to implement the Beijing Platform in over 40 countries, particularly in the Arab States, the Southern Cone of Latin America and South Asia. It had also promoted women's participation in the area of trade, seeking to incorporate a gender perspective into trade agreements and to build women's economic literacy in the Southern Cone of Latin America, South-East Asia and the Pacific and East Africa.

2. In 32 countries, conscious efforts were being made to increase women's political leadership by reserving legislative seats for them, or through some other form of affirmative action. UNIFEM supported training and capacity-building initiatives in that connection. One example of its successes had been the appointment of five out of eight women candidates to Cabinet posts in Fiji.

3. Other positive developments stemmed from the Secretary-General's reform agenda to strengthen the Resident Coordinator system and promote inter-agency collaboration and integrated follow-up to United Nations world conferences. Within that context, in 1998, UNIFEM had convened United Nations inter-agency campaigns to end gender-based violence in Latin America and the Caribbean, African and the Asia Pacific regions. Those campaigns had an impact at both the programmatic and policy levels. Examples were India's request to UNIFEM for assistance in training policemen to deal with domestic violence and the adoption of a declaration to ensure compliance by the police and judiciary of 18 Latin American countries with the standards contained in the Convention on the Elimination of All Forms of Discrimination against Women.

4. UNIFEM, which had played an active role in the Microcredit Summit, was involved in efforts to extend the benefits of 925 microfinance programmes to 100 million of the world's poorest families, particularly women, by 2005. It was also working with a number of United Nations organizations to expand the availability of gender expertise at the country level. In addition to its 11 regional programme advisers, the Fund would be stationing gender advisers in 10 countries over the next two years; currently, gender specialists were providing technical expertise to the Resident Coordinator's system in 12 countries. UNIFEM was expanding its partnership with the United Nations Population Fund (UNFPA) as well.

5. Inter-agency cooperation within the United Nations Development Assistance Framework (UNDAF) had also benefited from gender expertise provided by UNIFEM, for example, in projects dealing with the feminization of poverty in Kenya, Ghana and Thailand; an initiative on gender and HIV/AIDS in six countries; and a project of the United Nations Development Programme (UNDP) to establish a working group on trafficking in women in Thailand. The latter was an example of how early input by UNIFEM could be scaled up by organizations with greater resources and a field presence.

6. UNIFEM was also chairing the Sub-group on Gender of the United Nations Development Group (UNDG). On the ground, thematic groups on gender were functioning in the Resident Coordinator system of 58 countries. The outcomes of those initiatives would be incorporated in the second UNIFEM Strategy and Business Plan.

7. The Second Committee should stress the need for increasing the network of gender expertise available to the United Nations funds and programmes at the country level and garner the necessary technical and financial support to that end. UNIFEM arrangements with UNDP and the United Nations Population Fund (UNFPA) should be replicated by other funds and programmes. She requested the Second Committee to support the recommendations of the Secretary-General on the development of new synergies between UNIFEM and UNDP. Within the context of the preparations

for the special sessions of the General Assembly to assess the implementation of the Beijing Platform and the special session for an overall review and appraisal of the implementation of the outcome of the World Summit for Social Development, the Second Committee could support efforts by UNIFEM and other United Nations organizations to collect gender-disaggregated data at the country level and to establish better mechanisms for analysing resource allocations from a gender perspective.

8. **Mr. Ohiorhenuan** (Director, Special Unit for Technical Cooperation among Developing Countries, United Nations Development Programme) introduced the report of the eleventh session of the High-level Committee on the Review of Technical Cooperation among Developing Countries (A/54/39) and the report of the Secretary-General on the state of South-South cooperation (A/54/425). At its eleventh session, the High-level Committee had observed that, as their capacities improved, developing countries were increasingly financing their own activities for technical cooperation among developing countries (TCDC). New life was being infused in TCDC by a number of trends: traditional bilateral links and regional and subregional cooperation were embracing more interregional and global initiatives; episodic training activities were being replaced by more sophisticated forms of exchange; cooperation was taking new and more vibrant forms, including triangular arrangements and enterprise-to-enterprise links; and the involvement of the private sector and non-governmental organizations in TCDC activities was expanding. The High-level Committee urged the international community to increase support for TCDC and requested organizations and agencies to establish a common framework for measuring the progress and results of TCDC and economic cooperation among developing countries (ECDC) and for mainstreaming those modalities in operational activities.

9. The report of the Secretary-General on the state of South-South cooperation (A/54/425), in the chapter on recent developments and trends, stressed intra-South trade, investment and finance (para. 5). Reforms, trade liberalization and inflation control in many developing countries had led to significant convergence of their economic policies, opening up new opportunities for enhanced South-South cooperation (para. 8). Particularly noteworthy was the resurgence of regional, subregional and interregional cooperation through new economic cooperation arrangements, such as free-trade agreements and growth triangles beyond traditional groupings (para. 10). Intra-South trade had grown significantly, constituting 42 per cent of developing countries' total exports in 1997 (para. 11). Increasingly, developing countries were investing in other countries. However, a system was needed to disaggregate data on actual South-South flows.

10. Chapter III of the report on multilateral support to South-South cooperation stressed the role of partnerships and collective capacities in such cooperation and, in the section entitled "Connecting the South", the need to link various databases and information systems created by organizations (para. 46) with a view to orienting operational activities towards South-South cooperation. The final chapter of the report stressed that the extent to which the potential for South-South cooperation could be exploited depended largely on the South's own efforts.

11. **Mr. Zerihoun** (Director, Africa I Division, Department of Political Affairs) introduced the report of the Secretary-General on cooperation between the United Nations and the Southern African Development Community (A/54/273), which contained information received from Member States, regional and other relevant organizations and bodies of the United Nations system submitted in response to General Assembly resolution 52/204 on their cooperation with and assistance to SADC and its member countries in implementing programmes and projects for development cooperation and technical assistance.

12. **Mr. Talbot** (Guyana) speaking on behalf of the Group of 77 and China, reaffirmed that the fundamental characteristics of operational activities — universality, neutrality, multilateralism, non-conditionality and responsiveness to the priorities and needs of developing countries in a flexible manner — distinguished the operational activities of the United Nations from those of institutions such as the World Bank and were critical to their future effectiveness and credibility. The current trends characterizing United Nations development activities were therefore deeply disturbing.

13. Lately, certain organizations, such as UNDP, were being perceived as less responsive, more restrictive in their programme orientation and on the verge of becoming irrelevant because of a lack of critical mass. At the heart of the problem was the continued decline in the funding for the core functions of operational activities, particularly for UNDP, despite the reforms it had undertaken. UNDP support to developing countries had been severely curtailed, and field operations frequently interrupted, owing to a lack of resources or the increasingly narrow focus of the Programme's activities. The most recent effort to maintain the compact between reform resources and results in UNDP and other funds and programmes, the Multi-year Funding Framework (MYFF) had thus far been disappointing. Within months of the decision to launch the Funding Framework,

it had become clear that the necessary commitment on the part of donor countries was lacking. That gave cause for grave concern. The Group of 77 and China reaffirmed their commitment to the implementation of General Assembly resolution 53/192 and its predecessors and the importance of the UNDAF as a mechanism for the coordination of United Nations operational activities in the field. UNDAF, as a mechanism owned by Governments, should be used to maximize the collective impact of operational activities at the field level. Consideration should be given to the relationship between the funds and programmes and their governing boards and the United Nations Development Group (UNDG), and recognition should be given to the roles and mandates of each of those bodies in furthering operational activities for development.

14. The Group of 77 and China attached high priority to strengthening South-South cooperation in the context of globalization, which would ultimately contribute to the growth of the world economy. Recognizing the potential of regional cooperation and integration arrangements among countries of the South for further dynamizing South-South cooperation, it welcomed the adoption of the Bali Declaration and Plan of Action on Regional and Subregional Economic Cooperation of the Developing Countries in December 1999.

15. The Group of 77 and China accorded continuing priority to the integration of ECDC and TCDC and to the strengthening of regional and subregional cooperation mechanisms. In that connection, greater involvement of the business and private sectors in South-South cooperation was vital. In conclusion, the Group of 77 and China looked forward to the forthcoming Group of 77 South Summit to be held in Havana in 2000, which it hoped would give fresh impetus to cooperation among developing countries in sectors of strategic importance and to the formation of a new strategic partnership with the developed world.

16. **Ms. Paivoke** (Finland), speaking on behalf of the European Union and the associated countries Bulgaria, Cyprus, the Czech Republic, Estonia, Hungary, Latvia, Lithuania, Malta, Poland, Romania, Slovakia and Slovenia, said that the European Union warmly welcomed the continuing progress in cooperation and coordination among United Nations agencies for operational activities. It commended the United Nations Development Group on the Development Assistance Framework and the improved functioning of the Resident Coordinator system.

17. At the recent meeting of the High-level Committee on the Review of Technical Cooperation among Developing Countries (TCDC) it had been encouraging to note that developing countries had taken ownership of the process. It was for developing countries to manage the application of the TCDC modality and to formulate coherent national policies, including funding from national budgets. In many cases, however, clearly defined national policies were still lacking. Investment in human resources along with policies supportive of economic and social development were essential prerequisites for the eradication of poverty, the ultimate goal of South-South interventions.

18. South-South cooperation had evolved from a country-to-country approach towards a more regional form of cooperation. The use of regional training and research facilities had enabled the countries of a region to network more effectively and learn from each other, with clear potential benefits for capacity-building. Triangular arrangements, involving traditional and new donors, were evidence that the new directions strategy for TCDC had been successful; they also represented a new funding modality.

19. The European Union believed that mainstreaming the TCDC modality in all development cooperation was the best way to promote it, and that TCDC was a valuable tool for developing countries in meeting the challenge of trade liberalization and globalization.

20. The European Union noted with satisfaction the efforts made by UNIFEM to focus its activities, to set up a learning component and to forge partnerships both within and outside the United Nations system. Its aims were to strengthen women's economic capacity, engender both public and private sector leadership, promote women's human rights and advocate for the elimination of all forms of violence against women. Capacity-building of women's organizations was the way to accomplish social change. It was important to build up a critical mass of leadership to ensure the progress of the democratic process, and UNIFEM should be commended for its work in those important areas. The senior gender adviser system, in particular, had helped to ensure that gender issues and perspectives were integrated into the overall programme of United Nations reform. Finally, the European Union encouraged UNIFEM and UNDP to continue to strengthen their cooperation with each other.

21. **Mr. Osei-Danquah** (Ghana) said that while in theory, operational activities for development were driven by a grand compact to alleviate poverty and create the conditions for sustainable development, in practice those activities had to compete with humanitarian relief programmes for a share of declining resources. It was clear that the lack of adequate funding for South-South cooperation remained a challenge. The gaps between North and South were evident, especially in such areas as financial flows. The report of the Secretary-

General on cooperation between the United Nations and the Southern African Development Community (SADC) (A/54/273) gave an indication of the potential of effective regional integration for the rest of the continent, and his delegation urged that the lessons learned from SADC should be used to assist other regions.

22. For many countries, particularly in Africa, the capacity for integration within the subregion was low because of weak public management and inadequate institutional capacity. With the support of the United Nations system and the more advanced developing countries, such countries could conduct an assessment of their needs and find sources of expertise. Improved communications provided cost-effective access to critical information, and his delegation commended efforts to provide hardware support to developing countries to give them access to the World Wide Web.

23. The need to mainstream South-South cooperation in national planning would require increased support from official development assistance (ODA)and a better-endowed United Nations development system. Existing partnerships such as that between the United Nations Conference on Trade and Development (UNCTAD) and the United Nations Industrial Development Organization (UNIDO) to promote investment and enterprise development must be broadened to include UNDP, which was assisting African trade and entrepreneurial capacity-building.

24. The financial instability which had rocked Asia demonstrated the growing significance of the prosperity of that region to Africa. The suspension of investment projects, the reduction in demand for commodities and the subsequent drop in prices underscored the arguments for the need for fair and equitable global trade policies and debt reduction. The Special Unit for Technical Cooperation among Developing Countries had proven how effective it could be as a catalyst to South-South cooperation, even with limited resources.

25. If the impact of operational activities for development was to meet expectations, the international community would have to shoulder its responsibility. Developing country Governments, in turn, must deepen their partnerships with their own private sectors and encourage exchanges of information. More importantly, the role of the United Nations development system must be strengthened through innovative fund-raising, so that it responded to the objective needs of development and not to the changing mood in capitals.

26. **Ms. King** (United States of America) said that her delegation continued to support operational activities for development, and commended the remarkable progress in that area in the past year. The continued expansion of the UNDAFs and common country assessments had reinforced cooperation and reduced duplication at the country level. New relationships were being forged in an effort to broaden the funding base, develop new approaches and increase operational effectiveness.

27. UNDAF had brought a new sense of cohesion and unity of purpose to previously disparate development agencies by focusing attention on their common mission of finding more effective ways to alleviate human poverty and improve the well-being of the 6 billion people of the world. There were examples of increased participation of specialized agencies and Governments in the process, and smaller agencies like UNIFEM continued to have an impact on major issues far exceeding their modest funding levels.

28. Areas remained where much more progress was needed. Multiple conflicts in several regions made it evident that there was a need to solidify further and integrate a coordinated process that moved from crisis situations to development. A consensus was emerging on the fundamentals of sustainable human development, as illustrated by the fact that the Bretton Woods institutions had adopted an approach to development inspired by the United Nations, while the United Nations had moved far in supporting responsible macroeconomic policies on the part of Member States. The remaining challenge was to achieve agreement on the role of operational activities in promoting sustainable development, particularly in terms of the comparative advantage of the United Nations.

29. Her delegation continued to support TCDC and ECDC as important development tools. Many of her Government's bilateral assistance programmes sought to ensure that the human resources of developing countries were fully utilized, and she urged all countries to recognize the important contribution of bilateral support to TCDC. The United Nations system channelled approximately $100 million per year to TCDC activities, about half of which came from UNDP. The UNDAF process continued to be an effective means of coordinating that support, and the regional commissions should play the pivotal role in promoting and facilitating TCDC. In order to continue expanding, TCDC must show that it produced results, and analysis of both its successes and failures would have useful lessons to teach.

30. **Mr. Tchoulkov** (Russian Federation) said that progress had been made in the past year on integration of operational activities at various levels and linking them with national priorities for sustainable development. That progress was in many respects based on an increased level

of analysis and objective assessment of achievements and unresolved problems in recipient countries. In that connection, strengthening of cooperation among the United Nations, the World Bank and other development partners required further attention. To that end, further consultation was needed on efforts to harmonize UNDAF and the World Bank Comprehensive Development Framework.

31. In strengthening the partnership between all participants in development, special attention should be given to efforts to attract private capital. The United Nations system could facilitate linkages between the commercial interests of private companies and the objectives of sustainable development, social justice, poverty eradication and respect for human rights. The Secretary-General's initiatives in establishing a dialogue with the business sector had an important role to play.

32. His delegation noted with satisfaction the results of the discussions on reform of operational activities at the 1999 substantive session of the Economic and Social Council. It remained concerned, however, at the continuing reduction in UNDP and UNFPA resources, which undermined the ability of those agencies to implement the decisions taken at the relevant global conferences. His delegation supported the measures being taken to restore the resource base, including the creation of the Multi-year Funding Framework, cost-cutting measures in UNFPA and steps to streamline and decentralize UNDP administration and management. At the same time, a balanced approach must be taken to avoid weakening policy management and field coordination capacities.

33. The assistance of the programmes and funds to the countries of Eastern Europe and the Commonwealth of Independent States in carrying out their democratic, social and economic reforms was highly appreciated. Once they had successfully made the transition, they would be able to participate fully in global efforts for sustainable development.

34. Finally, his delegation supported the conclusions of the report of the High-level Committee and stressed the importance of seeking innovative ways to involve countries with economies in transition in TCDC, in particular through trilateral cooperation.

35. **Mr. Escanero** (Mexico), speaking on behalf of the Rio Group, said that operational activities for development must retain their universality, neutrality and multilateralism, based on the principles of non-conditionality and full respect for national priorities. The countries and sectors with the greatest need should receive the greatest support, under the principle of universality; Latin America and the Caribbean, however, were receiving a declining share of UNDP core resources, and the countries of the region themselves bore most of the programme costs.

36. The Rio Group had established several priorities in the area of operational activities for development. First, such initiatives as UNDAF should induce a response from the United Nations system fully in line with national priorities and needs. Second, the promotion of technical, administrative and management capabilities should be fully consistent with the national execution modality. Third, local United Nations offices should ensure transparency in their administration and financial management.

37. It was a matter of concern that, despite recent global commitments and the efforts to reform the United Nations system, ODA flows continued to decline. Moreover, such flows were not being replaced by foreign direct investment. The Rio Group reaffirmed the need to carry out the commitments made in General Assembly resolution 53/192, paragraph 43, and agreed that cooperation with the Bretton Woods institutions should be intensified.

38. The Rio Group valued South-South cooperation, including TCDC and ECDC, as an increasingly dynamic tool for gaining a position in the new economic environment. Its members participated in regional and subregional cooperation, and, in the spirit of the Buenos Aires Plan of Action, middle-income countries of the region were serving as focal points for that cooperation. North-South cooperation should also be harmonized with South-South cooperation, through triangular cooperation schemes.

39. Finally, the Rio Group stressed the importance of strengthening operational activities by developing a comprehensive strategy for international cooperation to respond to natural disasters in all phases, including prevention, early warning, emergency action, mitigation and rehabilitation and reconstruction.

40. **Mr. Kolby** (Norway) said that the potential development impact of TCDC for developing countries was increasingly being recognized, since South-South cooperation was essential as a means of sharing relevant development experiences, his delegation welcomed the leading role increasingly being taken by developing countries themselves in initiating, organizing and financing TCDC activities, since national ownership and commitment were crucial to the success of South-South cooperation.

41. Donor countries should play an active and supportive role in fostering an increased use of the TCDC modality in development cooperation. Norway regretted the overall decline in ODA flows and had sought to counter that trend

by increasing its own ODA. In his view, ODA and TCDC must mutually reinforce each other. He therefore welcomed the fact that the New Directions Strategy for TCDC had led to an increased use of the modality. Broader international support and the mechanism for triangular cooperation, in which his country was involved, had contributed to an effective use of available resources for the benefit of many developing countries. Norway was also involved in and contributed funding to the African Capacity Building Foundation and the South Centre. It also supported initiatives such as the establishment of an independent legal advisory centre to give developing countries real access to the WTO dispute settlement mechanism.

42. It was imperative that South-South cooperation should be perceived as a priority area within the United Nations system. While the active contribution of national authorities and the United Nations system was vital for a successful implementation of the Buenos Aires Plan of Action and the New Directions Strategy, the involvement of the private sector and of non-governmental organizations was indispensable in fostering a viable business sector in the developing countries. For that reason, his country regarded assistance to strengthen South-South trade and regional cooperation among developing countries as one of the top priorities in its strategy for private sector development in developing countries.

43. Referring to the Secretary-General's report on the activities of UNIFEM, he welcomed the important work that the Fund undertook within the framework of the Beijing Platform for Action and expressed support for the establishment of a trust fund in support of actions to eliminate violence against women. He encouraged UNDP and the Fund to strengthen their cooperation.

44. Norway regarded the Southern African Development Community (SADC) as a key regional cooperation partner in southern Africa, and it therefore welcomed the progress made in intensifying contacts between the United Nations and the Community, as well as increased cooperation with other countries and multilateral institutions. It encouraged further efforts to strengthen cooperation between SADC and all relevant partners.

45. **Mr. Aho-Glele** (Benin) said that operational activities for development were designed to meet development requirements by taking into account the development policies, programmes, strategies and priorities of developing countries. Such activities should be guided by the principles of universality, neutrality, multilateralism and voluntary financing. His Government attached particular importance to the implementation of General Assembly resolution 53/192 on the triennial policy review of operational activities for development of the United Nations system. His Government had adopted a national strategy note in line with that resolution and had established a national committee for monitoring and assessing development activities. The national strategy note covered three priority areas, namely, improvement of living conditions and poverty eradication; good governance and emancipation of civil society; and employment, vocational training and the development of small and medium-sized enterprises.

46. Despite its meagre resources, Benin contributed to the development activities of the United Nations system. Yet its programmes drawn up in agreement with its development partners under the national strategy note continued to suffer considerably from the lack of resources. His delegation was seriously concerned not only at the continuing inadequacy of resources for the United Nations operational activities for development but also at the fact that complicated disbursement procedures governing such resources delayed or even threatened programme implementation. He appealed for substantial contributions to be made, in a spirit of partnership, to the resources earmarked for operational activities for development on a predictable, continued and assured basis, so that greater attention could be paid to the programmes and projects to be implemented in the low-income countries. His delegation counted on the solidarity and good will of donor countries to provide the resources needed to strengthen the development activities of the United Nations.

47. **Mr. Dos Santos** (Mozambique), speaking on behalf of the Southern African Development Community (SADC), said that considerable progress had been made in cooperation between the United Nations and the Community. While SADC expected greater interaction with the United Nations in all fields of common interest, it remained equally committed to strengthening its relationship with other regional organizations. The 19th SADC summit meeting had reviewed the political and economic situation in the Community over the previous year, as well as the current stage of regional integration. On the political front, the region had continued to consolidate a culture of peace, democracy, respect for human rights and the rule of law. In that regard, the organization of general elections or plans for such elections in a number of countries, constituted an important step towards the consolidation of peace and stability in the region.

48. Angola and the Democratic Republic of the Congo, however, remained a source of great concern. He therefore urged the international community to take appropriate action by providing humanitarian and other assistance in order to

prevent further suffering of the Angolan people. Since the search for a durable peace was still a constant objective of the region, the Community welcomed the Lusaka Ceasefire Agreement, aimed at settling the conflict in the Democratic Republic of the Congo, and called upon the international community to meet its responsibility for maintaining peace and helping to reconstruct that country. In that context, SADC welcomed the support provided by the European Union to the SADC negotiation process on the conflict in the Democratic Republic of the Congo.

49. The region was still suffering from the negative effects of landmines and small arms, which were killing and maiming thousands of civilians. SADC was determined to make southern Africa a landmine-free zone and had adopted a declaration to that effect. It had also adopted a decision on the illicit trafficking of small arms and related crimes at its 1999 summit meeting. He urged the international community to provide SADC with the necessary support to deal with those weapons, which not only killed, but also jeopardized the Community's development efforts.

50. Although the region's economy was expected to record a growth rate of as much as 3.5 per cent in 1999, that rate fell short of the 6 per cent rate required for reducing poverty in the region. SADC was therefore deeply concerned at the low levels of FDI flows and the heavy external debt burden, which remained major impediments to the region's economic development. It was also deeply concerned over the drastic reduction in ODA, since the lack of adequate funding was seriously undermining the capacity of the United Nations to effectively deal with international problems such as the eradication of poverty. Therefore, the countries in a position to do so were urged to continue to fund the Organization, thus enabling it to carry out its important work.

51. While SADC welcomed debt-relief initiatives, including the Heavily Indebted Poor Countries (HIPC) debt initiative, it believed that the international community should start writing off the external debt of those countries that had made visible and sustainable progress in the implementation of tough structural adjustment measures and political reforms, so that they could invest the resources thus freed up in social sectors.

52. Great strides had been made towards regional integration, including the signing and ratification of a series of Protocols in areas ranging from Health, to Wildlife Conservation and Law Enforcement. A number of institutions, such as the SADC Chamber of Commerce and Industry, had also been established. The empowerment of women and gender equality also figured prominently on the regional integration agenda. Indeed, SADC member States had committed themselves to ensuring that at least 30 per cent of political and decision-making positions in their countries would be filled by women by 2005.

53. Current efforts for genuine regional integration could not be successful, however, without the precious support of the international community. While SADC had the primary responsibility for its own development, it was conscious of its shortcomings and therefore required enhanced international cooperation and assistance. In that regard, SADC welcomed and thanked the great contribution of the United Nations system to its regional integration activities. Indeed, the economic, financial and technical assistance received thus far had been instrumental in improving regional performance in fields such as education and health.

54. **Mr. Yépez Lasso** (Ecuador) said that cooperation for development was an essential aspect of Ecuador's foreign policy activities. However, the declining trend in ODA as well as the adoption of new policies that limited technical and financial assistance gave cause for serious concern. In that regard, South-South cooperation designed to achieve genuine social benefits was a valid alternative.

55. A positive result of that kind of cooperation was the joint efforts by Ecuador and Colombia, which had considerably strengthened and diversified trade and productive investments in areas such as health and education as well as in the fight against drug trafficking. Following the resolution of their territorial problems, Peru and Ecuador now appeared to have a bright future ahead of them and were determined to work as genuine partners for the harmonious development of their two countries. Indeed, bilateral trade between the two nations was expected to increase threefold and an amount of US$ 3 billion was expected to be injected into projects for the development of the depressed areas along the border between the two countries. Ecuador also had very fruitful relations with Cuba and very positive experiences in triangular coordination with the European Union.

56. Trade should be one of the main pillars of South-South cooperation. His delegation therefore welcomed the growing upsurge of interregional trade. Ecuador participated actively in the Andean Community. Indeed, trade among the Andean countries and between the Andean countries and their trading partners in Latin America was continuing. That trend must be maintained.

57. While cooperation among developing countries should be strengthened by the United Nations and multilateral agencies, the countries of the South should rely on their own capacities and intensify mutual assistance. The forthcoming Havana summit meeting would provide an opportunity to

hold a constructive dialogue and design new strategies for cooperation for development tailored to the priority interest of the peoples of the South.

58. **Mr. Myint** (Myanmar) said there was no question that help and assistance from the North accelerated and enhanced the development processes in the South. It was therefore necessary to maintain assistance levels so that the development process might continue. In that regard, while financial assistance was important, the transfer of appropriate technology, environmentally sound technology and new and economical sources of energy were also critically needed in the South.

59. Although North-South relations were crucial, developing countries should not always depend on the good graces of the North for their development. Indeed, they could reap a number of benefits from cooperation with one another. The Buenos Aires Plan of Action for Promoting and Implementing Technical Cooperation among Developing Countries and the Caracas Programme of Action were the most important programmes in the field of South-South cooperation. Enhanced implementation of the two programmes had yielded fruitful results, not only in bilateral cooperation, but also in furthering the advent of triangular cooperation, with a resultant increase in support from developed countries. Technical and economic cooperation among the nations of the South had yielded substantial results in development. Apart from joining regional groupings, each and every developing country could benefit from mutual cooperation. In that regard, the South Summit to be held in Havana would further mobilize the collective strength and solidarity of developing countries through the strengthening of South-South cooperation and would adopt key documents that reflected the views of 133 nations, thus establishing guidelines for action in the new millennium.

60. **Mr. Menon** (India) said that the rapid technological change and liberalization associated with globalization had led to a spate of financial crises and to the economic exclusion of much of humanity. Developing countries must work together to overcome their shared vulnerabilities and disadvantages. Increased differentiation in levels of development in the South could provide a unique source of strength; what was required was the will and the investments that would give effect to such cooperation.

61. His Government had provided a total of over US$ 2 billion dollars in bilateral and multilateral technical, scientific and economic cooperation to other developing countries and planned to extend its cooperation to include not only Asia and Africa, but also the South Pacific, the Caribbean and Central America and to promote the concept of multiple beneficiaries. The healthy growth in intra-South trade, despite attitudes that favoured traditional North-South linkages and the paucity of trade financing, was a source of optimism. However, trade and investment were impeded by the heavy indebtedness of many countries of the South. The international community should consider bold initiatives to address the debt-related problems of low- and middle-income developing economies in order to open new avenues for South-South cooperation and expansion of the global economy.

62. The role of traditional production factors was rapidly being assumed by knowledge, a single tangible asset that was non-replicable, unique and proprietary. The problem was that because knowledge had the potential to create wealth, it was not allowed to flow easily from North to South. Sophisticated technologies existed, or could be developed, in order to meet the needs of developing countries in a cost-effective manner. Since the developed countries were not interested in those objectives, the developing countries should help themselves by transferring knowledge that would allow them to acquire a distinct "niche" profile in the global market.

63. However, developing countries could not live on words alone. If the Multi-year Funding Framework (MYFF) could not meet its sole objective, that of increasing the core resources of the funds and programmes concerned, its usefulness would be severely compromised. Immediate steps must be taken to place the funding of operational activities on a secure, predictable and assured basis. As one of the developing countries' largest voluntary contributors to the core resources of United Nations funds and programmes, his Government called on countries, particularly the under-performing donors, to increase their contributions.

64. Operational activities of the United Nations system must be conducted in accordance with the resolutions of the General Assembly and, in particular, its resolution 53/192 on the triennial policy review. His Government supported UNDAF, not as an evolving grand strategy but as a synergistic approach designed to make the system, under national ownership, more efficient in its response to national development plans and priorities. Similarly, UNDG must not compromise the identity of participating bodies or the accountability of their heads to the Secretary-General and to their governing bodies.

65. **Mr. Lewis** (Antigua and Barbuda), speaking on behalf of the Caribbean Community (CARICOM), said that capacity-building was essential if individual countries, especially the least developed and small island developing States, were to maximize the benefits of globalization and

minimize the risk of marginalization. ECDC had become more relevant in light of the improved policy conditions and market-related reforms that had allowed some developing countries to become major manufacturers and exporters in areas previously dominated by the developed countries.

66. In economic terms, the twentieth century had not been favourable to developing countries; technical cooperation for development allowed them to explore initiatives by themselves. The performance of Caribbean economies had been variable; countries of that region ranked high on both the Human Development Index and the Human Poverty Index. The developed countries should support ECDC by increasing technical and financial assistance and encouraging FDI in the developing countries. The private sector and TCDC had an important role to play in that regard.

67. The holding of the eleventh session of the High-level Committee on the Review of Technical Cooperation among Developing Countries was a sign of United Nations commitment to that issue. The Caribbean Community (CARICOM) attached great importance to the independence of the Special Unit for Technical Cooperation among Developing Countries as the only focal point for TCDC.

68. CARICOM welcomed the success of some developing countries and considered that ECDC at the regional, subregional and interregional levels was important to the creation of viable economic spaces capable of stimulating trade and investment. However, the international economic environment remained unfavourable for developing countries, many of which had suffered from the recent financial crisis, and there was a widening gap between the developed and developing countries.

69. He urged developing countries to participate effectively in the work of the executive boards of the United Nations funds and programmes, which had been involved in programmes for poverty eradication, capacity-building, reproductive health and children. The steady decline in funding for operational activities in recent years had been coupled with donor countries' demands for downsizing. Despite the introduction of reforms, including MYFF, the financial situation of the funds and programmes remained unstable. He urged donors to increase their contributions substantially and emphasized that the decisions and funding strategies of the funds and programmes must safeguard the universality, neutrality, multilateralism and voluntary nature of operational activities so that they could respond flexibly to the needs of developing countries.

70. The fact that most of the CARICOM countries had relatively high per capita gross national products (GNPs) had generally excluded them from consideration for assistance. Such a decision ignored the erosion of trade preferences, the CARICOM countries' ecological and economic vulnerability and the fact that most of their economies lacked the resilience to recover quickly from natural disasters which could obliterate their physical infrastructure, industrial base and agricultural assets. He therefore called for the inclusion of such factors in the criteria for concessional assistance.

71. The rapid decline in ODA and, in particular, of core resources earmarked for multilateral purposes, was alarming. The growing popularity of non-core resources signalled a renewed preference among donors for bilateral assistance and called into question the principles of multilateralism, neutrality and transparency. Donors, both new and traditional, should halt the decline in ODA and maintain core resources at a consistent, predictable level.

72. **Ms. Aftab** (Pakistan) said that the United Nations agencies, funds and programmes and the countries that benefited from them were deeply frustrated at the dwindling of core resources, the decline in ODA and the impact of that situation on the implementation of mandated programmes. MYFF was to have been part of a shift towards results-based management; its sole objective was to provide funding for UNDP and UNFPA on a secure and predictable basis without introducing conditionalities or distortion of priorities. However, in the year since the introduction of MYFF, core resources for UNDP had declined and a 20 per cent resource cut across the board had been planned. The priorities of bilateral and multilateral donors did not always harmonize with the United Nations agenda, and there was a real danger that the international character and impartiality that were the hallmark of United Nations development assistance would be jeopardized.

73. It was vital for operational activities to retain their country-driven focus. All development partners must work to fulfil the objectives of MYFF. While her Government supported increased cooperation between the United Nations development system and the Bretton Woods institutions, there must be clear recognition of their distinct and separate mandates and full consultation with host countries.

74. Her delegation fully supported the mainstreaming of TCDC into the operational activities of the United Nations development system and considered that every effort must be made to strengthen the Special Unit. Her Government looked forward to participating in the South Summit in Havana in order to explore further avenues for South-South cooperation. While welcoming the broadening range of United Nations operational activities, it considered that poverty eradication must remain the Organization's top

development priority. Her Government had always supported national capacity-building and the implementation of programmes through the national execution modality, but reporting requirements under that modality should be brought in line with national systems.

75. **Ms. Simonová** (Czech Republic), speaking also on behalf of Bulgaria, said that despite progress in integrating the developing countries into global markets, the number of people living in poverty was growing; the gap between rich and poor was widening; armed conflicts and social unrest, often linked to long-standing poverty, were becoming more frequent; deterioration of the global environment continued to cause extensive damage; and, as a result, the demand for development assistance and the need for costly post-conflict rehabilitation and post-disaster reconstruction was increasing. Furthermore, globalization had brought with it an additional requirement, namely, good governance. As seen during the recent financial crisis, in volatile economic situations, capital flows moved rapidly towards countries with strong economies and sound governance.

76. Good governance was important not only as a tool of crisis prevention, but also as a means of protecting public assets, making domestic markets truly competitive and promoting overall development. It was necessary to enhance the rule of law, strengthen law enforcement, promote democratization, introduce transparent regulatory systems and strong financial oversight, promote transparency and accountability in public administration and finance and develop participatory approaches to policy and decision-making. There was a need for technical and development assistance in all those areas and the Second Committee should consider whether that need was being reflected adequately in United Nations operational activities.

77. Her delegation supported the decision to focus the activities of the Organization and, in particular, of UNDP, on the difficult balance between macroeconomic reform and the need for a credible State capable not only of supporting market development, but also of creating legal structures, institutions and regulatory frameworks. In cooperation with the World Bank, UNDP was paying greater attention to the role of government in globalization and in the promotion of democracy, good governance and social development; such development assistance could also help to prevent social upheavals, military conflicts and large-scale migrations.

78. Prevention was always better, more efficient and more cost-effective than post-conflict rehabilitation. Owing to its universality, neutrality, understanding of countries' specific needs and efficiency, UNDP had a competitive advantage in the area of sustainable human development and should focus its future activities on capacity-building for good governance in globalization. She supported the efforts of UNDP and UNFPA in setting standards for good governance and development goals, specifying outcomes for development assistance and devising indicators for measuring progress. That results-based approach would make UNDP better able to address new development challenges in cooperation with other development players and, in particular with, UNDG and the Bretton Woods institutions.

79. Lastly, she stressed the need to reverse the decline in financial resources for United Nations operational activities for development.

80. **Mr. Al-Montaser** (Yemen) said that as the twenty-first century rapidly approached, challenges such as globalization, urbanization and the new information technology must be embraced by government policy if citizens were to benefit from their advantages, rather than being marginalized in the global economy. Those challenges were uninvited guests that must be accommodated, but a human face must be found for the global economy. The Committee's discussions on operational activities for development were therefore particularly relevant. His country was greatly concerned by the reduction in funding for such activities. That reduction had a negative effect on development projects, and it was important that endeavours to increase resources be continued.

81. He thanked Mr. Malcolm Brown, Executive Director of UNDP, for the statement he had made at the third regular session of the Executive Board in September 1999, in which he had clearly outlined the work of the Programme. His own country's experience as an aid recipient made it highly appreciative of UNDP, which had, for example, supported the establishment of training workshops for the handicapped in Sana'a and Aden. He fully supported the choices made and action taken by the Executive Bureau and UNDP as a whole.

82. As one of the least developed countries, Yemen, with the best interests of its citizens in mind, was making every effort to develop. However, it faced innumerable difficulties and financial constraints arising from both internal factors and the regional and international economic situation. The operational activities for development of the United Nations system and the Bretton Woods institutions were therefore greatly appreciated by his country, which looked forward to cooperating with its development partners in order to achieve comprehensive and sustainable development.

83. **Mr. Ralitsoele** (Lesotho) said that the Southern African Development Community (SADC) operated as a

cross-functional team which brought together a variety of resources, skills and knowledge for the identification and resolution of a common overarching problem, that of poverty. It also fostered political unity and regional economic integration and cooperation by apportioning various sectors, including environmental and land management, energy, mining, water, transport and communications, finance and investment and tourism to different member States for coordination. Its subsidiary bodies, including its parliamentary and electoral forums and its chamber of commerce, equipped it to achieve internationally reputable subregional governance. For example, the Lesotho Highlands Water Project, which transferred water from the mountains of Lesotho to the industrial hub of South Africa, had demonstrated that cross-border projects could strengthen cooperation in the subregion.

84. However, poverty, exacerbated by the high debt burden of some countries in the subregion, remained a serious problem. He called on the international community to continue to contribute substantially to the strengthening of the SADC economy and to the efforts of member countries to achieve sustained economic growth and development.

The meeting rose at 1.15 p.m.